

Exhibit C Dissolution Issues

Issues and Possible Solutions:

Issue #1: How surplus relief association assets will be divided after the last eligible relief association member is paid from the municipal trust fund if the fire department was a joint powers fire department.

Possible Solutions:

- Consider updating the statute to permit the agreement to define how the surplus assets are divided and establish a default distribution method if the agreement does not define.

Exhibit E attached provides draft language to update the relief association statutes when a relief association dissolves and does not consolidate with another association. The draft defines which municipality will establish the benefit trust fund when the relief association dissolves, how the surplus assets will be divided after the last member is paid, and how any unfunded actuarial accrued liabilities will be paid. The draft language permits the joint powers agreement to specify how each of these scenarios will be handled, and establishes a default if the agreement does not specify.

Available Resources:

1. Chapter 424B. Volunteer Firefighters, Consolidation, Dissolution